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Appendix:
SDWLP SFY 06 Project
Priority List

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Loan Interests

Drinking Water Applications Due

Jeanne Cargill

Application Deadline April 30

Is your municipality planning a drinking water project in the next year or so? If so, and you're interested in obtaining a loan from the Safe Drinking Water Loan Program (SDWLP), you must submit an application postmarked no later than April 30, 2005. You are eligible to apply for State Fiscal Year (SFY) 2006 SDWLP funds if each of your municipality's projects appears on the Project Priority List (see Appendix). Two additional actions must occur on or before April 30:

- Your municipality must obtain DNR approval of an engineering report for each of the projects you intend to fund.
- The DNR Bureau of Drinking Water and Groundwater must receive 3 copies of the plans and specifications for your project.

Funding List

We will prepare a project funding list from the applications received and process the loans between July 1, 2005 and April 30, 2006. The SDWLP will likely have about \$25.9 million available for loans for SFY 2006. Although the SDWLP may not have enough funding to provide loans to all eligible applicants, we encourage you to submit your loan application by the April 30 deadline. The final funding list depends on several factors, including project priority scores, populations of

the applicants, and the cost of each project on the list.

Project Priority Scores and SFY 06 Project Priority List

DNR scored projects based on Priority Evaluation and Ranking Forms (PERFs) submitted by the December 31, 2004 deadline. We updated median household income and population data on the PERFs we received in prior years, so some of the projects that were on last year's list have revised scores this year. The attached Project Priority List indicates the project priority scores of all potentially eligible projects for which the SDWLP received valid Notice of Intent to Apply forms. We listed the projects in descending order by priority score.

Small Systems Serving Less than 10,000 Persons

You have a better chance of receiving funding if your system serves less than 10,000 persons, regardless of your project priority score. The SDWLP is required by statute to allocate at least 15% of available loan funds to systems serving less than 10,000 persons before allocating funds to any other project. We encourage you to apply if your system meets this population requirement.

Some Applicants Must Re-Apply

If you submitted an application for funds last year (April 30, 2004 deadline) and will not close on an SDWLP loan by April 30, 2005, you need to submit an application for funding again this year if you are still interested in obtaining SDWLP funds.

Loan Closings/PSC Rate Approvals

All SDWLP loans for the SFY 2006 funding cycle must close by April 30, 2006. This is a statutory requirement, and funds not used by that date would be released to fund other qualified

applicants. Because of our experience with delayed SDWLP loan closings in other years, we strongly encourage you to get the process of receiving PSC approval of your rates going early in your process of obtaining funding for your projects. Some past applicants have lost their funding allocations because their rate reviews were not completed early enough to close a loan by this deadline.

Application Contents

Items required for a complete application are listed in s. NR 166.10(2), Wis. Adm. Code. Check out our application contents web page (<http://www.dnr.wi.gov/org/caer/cfa/EL/Guide/appsdw.htm>) and page 1 of the application form for more information about required application contents. Please note that you must submit a separate application form for each of your projects as listed on the project priority list.

Where to Get Forms

You can download the SDWLP Financial Assistance Application #8700-262 (as well as other forms) from our website at <http://www.dnr.wi.gov/org/caer/cfa/EL/Forms/forms.html>, or you may request copies from Deb Olson at (608) 266-5889 or Debra.Olson@dnr.state.wi.us.

Questions

If you have questions regarding the SDWLP, contact Jeanne Cargill at 608-267-7587 or jeanne.cargill@dnr.state.wi.us. ☐

Funding Sources Committee WRWA Conference

Jerry Wilson

Members of the Funding Sources Committee will be at the Wisconsin Rural Water Association (WRWA) Technical Conference in Green Bay. The conference runs March 30–April 1, 2005, at the KI Center. Available at one or more booths, members will have the

2005–2006 Drinking Water and Wastewater Funding Sources booklet. This booklet summarizes grant and loan programs available to Wisconsin municipalities and individuals for the coming year. Committee members will be on-hand to talk about their individual programs and to discuss specific local needs.

The following agencies are included in the Funding Sources Committee:

Bd of Commissioners of Public Lands
Foundation for Rural Housing, Inc.
USDA Rural Development
WI Community Action Prog. Assoc.
WI Department of Administration
WI Department of Commerce
WI Department of Natural Resources
WI Department of Veterans Affairs
WI Rural Water Association
WI Housing & Economic Development Authority



A presentation to address the availability of funding programs and technical assistance was recently added to the Conference agenda on Wednesday, March 30, at 4:00 pm. Presenters will also stress the need for municipalities to plan ahead for construction projects, including reviewing user charge fees to determine if increases are necessary preceding the construction year.

If you have questions for the Funding Sources Committee, contact Jerry Wilson at 608-264-8986 or gerald.wilson@dnr.state.wi.us. ☐

CWFP Hardship Financial Assistance

Cindy Hoffland

Revised Calculations for Adjusted MHI

The Bureau of Economic Analysis recently revised the 1999-2002 per

capita income data that we use to adjust Median Household Income (MHI). One of the criteria for hardship assistance eligibility requires that the municipality's adjusted MHI be 80% or less of the state's adjusted MHI. The revised data changed adjusted MHIs for all municipalities. To see if your municipality meets the income criterion, check the documents posted on our MHI web page at

<http://dnr.wi.gov/org/caer/cfa/EL/Guide/hardmhi.html>.

Calendar of Events

March 30 - April 1, 2005
Funding Sources Booth
KI Convention Center
Green Bay, WI
WRWA Management Conference

March 30, 2005
Funding Sources Committee
General Session Presentation
4:00 PM Wednesday

April 30, 2005
Postmark deadline
SDWLP applications

June 30, 2005
Postmark deadline
CWFP Hardship applications

You can also receive a preliminary assessment of your eligibility for hardship financial assistance by submitting a Clean Water Fund Program (CWFP) Hardship Financial Assistance Preliminary Calculation Request (Form 8700-282).

Application Deadline

If you want to receive CWFP hardship financial assistance in State Fiscal Year 2006 (July 1, 2005 – June 30, 2006),

and you submitted a Notice of Intent to Apply (ITA) by December 31, 2004, you must submit a Clean Water Fund Program (CWFP) financial assistance application postmarked by June 30, 2005.

Prior to applying, you must have a DNR approved facilities plan. If your facilities plan is not yet approved, please work with your DNR plan reviewer to be sure you can receive plan approval prior to June 30.

Your complete application must contain approvable plans and specifications and other application items required by s. NR 162.06(2), Wis. Adm. Code. Our application contents web page (<http://dnr.wi.gov/org/caer/cfa/EL/Guide/appcwf.htm>) and page 1 of the application form list these items.

Forms

You can obtain a copy of the CWFP Hardship Financial Assistance Preliminary Calculation Request (Form 8700-282) and CWFP Financial Assistance Application (Form 8700-203) from our forms web page (<http://dnr.wi.gov/org/caer/cfa/EL/FORMS/forms.html>), or by contacting Deb Olson at (608) 266-5889 or debra.olson@dnr.state.wi.us.

For more information, contact Cindy Hoffland at (608) 266-7758 or cynthia.hoffland@dnr.state.wi.us, or see our hardship financial assistance web pages <http://dnr.wi.gov/org/caer/cfa/EL/Section/hardship.html>. ☐

CMAR Going Electronic

Jerry Wilson

The Compliance Maintenance Annual Report (CMAR) has become the eCMAR for the 2004 reporting year. In the coming months wastewater treatment operators will be completing the annual report and, for the first time, submitting the report on-line. The

annual report has a section addressing the financial health of the wastewater system operation. In the past this was titled Part 11: Financial Status (All plants). Beginning with 2004 reporting, this section will be titled Financial Management. Questions to be answered by all WPDES permit holders include:

- Person providing this financial information
- Are user charges or other revenues sufficient to cover O & M Expenses for your wastewater treatment plant and/or collection system?
- When was the user charge system or other revenue source(s) last reviewed and/or revised?
- Did you have a special account (e.g., Clean Water Fund Program (CWFP) required segregated Replacement Fund, etc.) or financial resources available for repairing or replacing equipment?
- During the next ten years, will you be involved in formal planning for upgrading, rehabilitating or new construction?



The question addressing formal planning for treatment works upgrades, rehabilitation and new construction was previously located in Part 10 of the old CMAR. The eCMAR will allow responders to identify multiple projects. Question responses will assist treatment works staff and Environmental Loans staff in identifying water quality related infrastructure funding needs in Wisconsin. This information is especially important because the federal government may use the data in determining Wisconsin's future allocation amounts for the revolving loan program.

Public municipal facilities will also answer a question related to reviewing and/or revising the Equipment Replacement Fund every 2 years as

required when a CWFP loan(s) exists. Another question will help the municipality examine the financial activity of the Equipment Replacement Fund, including the starting balance, deposits to the fund, spending/withdrawals from the fund, and the ending balance. With the onset of eCMAR, ending balances for the reporting year will be tied back to the previous year's ending balance by looking at increases and decreases to the previous balance. The system will calculate the ending balance and retain it as the starting balance for next year's report.

To help each municipality start their first eCMAR with an accurate Fund balance, DNR will identify discrepancies detected in Part 11 of the 2003 CMAR in letters to go out in March to all CWFP loan recipients. If you have questions related to these letters or to eCMAR Financial Management questions, contact Jerry Wilson at gerald.wilson@dnr.state.wi.us or 608-264-8986. ☐

Budget News

Bob Ramharter

Within a span of a few days in February, details of both the Governor's budget and the President's budget were released. These budgets are important to the Environmental Improvement Fund in that they both provide funding for our loan programs as well as support for our staff positions.

The budget proposals contained both good news and some not-so-good news. First, the good news.

The Governor's budget provides all of the bonding and spending authorizations that DNR and DOA requested. This level of funding would allow us to fund all of the approximately \$657 million of Clean Water Fund Program (CWFP) projects we forecast for the next biennium and to fully expend all available Safe Drinking Water Loan Program and Land Recycling Loan Program funds. This funding level also means that, at this point of the budget

process, we can plan to continue to operate the 3 loan programs in the same fashion as in the past, e.g., continuous acceptance of applications for the CFWP and the normal application deadlines for the other two programs.

If the budget that is ultimately passed includes the same or nearly the same level of funding, then the CFWP will continue to operate without an application deadline. If there is a significant reduction in funding in the final state budget, the CFWP will have to institute an application deadline and an annual funding list. Watch for announcements around July 1 for the final word on any state budget impacts to the loan programs.

And now, the not-so-good news.

The President's budget proposes to fund the national Clean Water State Revolving Funds program at \$730,000,000 for Federal Fiscal Year (FFY) 06. This is a 34% reduction from FFY 05 funding and a 46% reduction from the funding levels of previous years. This represents a loss to Wisconsin's CFWP of about \$17 million per year. Funding reductions of this magnitude, especially if continued on into the future, may affect our ability to provide full funding for the CFWP. Since we also rely on a portion of these funds to support staff, these cuts may also reduce staffing levels and affect our ability to provide you with the same level of service as in the past.

In recent budgets, Congress has restored most of the funding cuts for this program that were proposed in the President's budget. Several key members of Congress from both sides of the aisle have already expressed concern about the funding reduction proposed in the current budget. We won't know the final funding levels for the program until the federal budget is completed around October 1. Any cuts to the program at the federal level won't be felt here in Wisconsin before State Fiscal Year 07. ☐

LRLP News

Maureen Hubeler

ITAs

The Land Recycling Loan Program (LRLP) received 10 Notices of Intent to Apply by the December 31, 2004 deadline. The total amount requested for State Fiscal Year (SFY) 2006 is \$27,148,485.

The LRLP project priority list for SFY 2006 is shown below.

SFY 06 Application Deadlines

To obtain LRLP funds in SFY 2006, these communities must submit their financial assistance applications by either the August 1, 2005 or the October 1, 2005 deadline. We will publish a funding list after we process the October 1, 2005 applications.

SFY 05 Applications

The LRLP received just one application for SFY 2005 funds. The City of New Richmond submitted an application by the October 1, 2004 deadline. The LRLP received no applications for the February 1, 2005 deadline. Since New Richmond is on the SFY 2004 funding list with the maximum biennial allocation allowed, the LRLP is not publishing a SFY 2005 funding list at

this time. We will publish a SFY 2005 funding list after the SFY 2004 funding list expires July 27, 2005, if New Richmond doesn't close its LRLP loan prior to that date.

For more information

If you have any questions regarding the LRLP, contact Maureen Hubeler at 608-266-0849 or

maureen.hubeler@dnr.state.wi.us. ☐

LRLP Project Priority List for SFY 06

Municipality	Amount	PERF Score
New Richmond, City	3,650,000	46.620
West Allis, City	4,077,160	31.521
West Allis, City	1,398,300	31.521
West Allis, City	671,500	31.521
Kenosha, City	5,500,000	31.504
Kenosha, City	10,075,000	31.504
Menasha, City	746,525	21.574
Altoona, City	165,000	20.605
Washington, Town	165,000	20.605
Cottage Grove, Town	700,000	18.641
\$ 27,148,485		